

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

24 April 1964

MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Panamanian Presidential Elections:
A Crisis in the Making?

SUMMARY

The campaigning for the 10 May Panamanian presidential election has entered its critical stage. The oligarchy's chances of winning are no better and perhaps somewhat worse than six weeks ago, despite Chiari's success in obtaining a commitment from the US for talks concerning problems between the two countries. Thus far the oligarchy has failed to unite, and Galindo -- who can only succeed in splitting the oligarchic vote -- refuses to withdraw. At this point the contest is between the lackluster Marco Robles, who has the larger part of the divided oligarchy behind him, and the spellbinding and unscrupulous Arnulfo Arias. Arnulfo, who has avoided ultra-nationalism and anti-US demagoguery in this campaign, is attracting his customary mass support. We think we would probably have a slight edge even against a united oligarchy. Because of this election outlook, we believe that the oligarchy, which controls the election machinery, will resort to manipulation of the results, particularly in a close race. The National Guard commanders would almost certainly support such a move to keep Arnulfo out of office. Arnulfo, for his part, will cry fraud if he loses and might turn to mass pressure tactics in attempting to assume the presidency. This could lead to extensive violence, which the Castroists and Communists would be ready and eager to exploit.

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GROUP 1
Excluded from automatic
downgrading and
declassification

I. BACKGROUND

1. The campaigning for the Panamanian presidential election, scheduled for 10 May, has entered its final and critical stage. The basic judgments concerning the election reached in SNIE 84-64, "The Short Run Outlook in Panama" (11 March 1964), still apply. Since then, developments have occurred which permit a more specific appraisal of the election prospects. The oligarchs realize that their traditional hold on Panama is in serious danger of being broken, and they are not likely to give way easily.

II. THE CURRENT SITUATION

2. The election has narrowed down to a race between Marco Robles, who has the larger part of the divided oligarchy behind him, and Arnulfo Arias, candidate of the personalistic Panamenista Party.* The oligarchy's chances are no better and perhaps somewhat worse than six weeks ago. Thus far it has failed to unite; Juan de Arco Galindo -- who can only succeed in dividing the oligarchic vote -- refuses to withdraw.

3. Marco Robles. Robles' campaign, while amply demonstrating his unimaginative and lackluster qualities, has also shown his

* See Annex for a complete listing of coalitions, parties and candidates.

tenacity. If the oligarchy is to unite, it will almost certainly have to do so behind him. A few of Galindo's wealthy backers have already deserted him for Robles, and others are likely to follow suit.

4. Robles' prospects have also been improved by President Roberto Chiari's recent success in arriving at a "resolution" of the US-Panamanian imbroglio. Discussions with the US will not get under way in time for possible repercussions to have any major effect on the election. Robles benefits, as well, from Chiari's deft moves to involve the ultra-nationalists in the settlement. Ultra-nationalist Miguel Moreno, who was a presidential nominee (now withdrawn) and a possible unity candidate, was appointed Ambassador to the US. Jorge Illueca, the radical nationalist, who was president of the Communist-leaning Committee for the Recovery of National Sovereignty, was picked as special ambassador for the discussions with the US. In effect, the Canal Zone issue has been eliminated as a major factor in the electoral campaign.

5. Arnulfo Arias.* Arnulfo has lost none of his mystique. Large crowds turn out to hear and cheer him whenever he speaks. He is the only Panamanian politician with a genuine and loyal grass-roots

* Arnulfo has been president twice, and twice deposed.

following; indeed, for years he was the only major Panamanian leader not identified with the interests of the oligarchy. His appeal lies in his long, unremitting opposition to the oligarchy as well as in his demagogy, extreme nationalism, and personal magnetism. Thus far, Arnulfo has eschewed excessive nationalism and anti-US demagogy in this campaign. Although wholeheartedly endorsing Panama's position concerning the canal, he has criticized the Chiari government for its inept handling of the crisis. He may renew this charge since the US has announced surveys in other Latin American states for a new canal. On balance, we believe that Arnulfo has not basically changed; he remains an unpredictable, unscrupulous and shrewd Panamanian nationalist with a strong statist concept of government. Should he be elected, his would be, for all practical purposes, a one-man government. He might begin by co-operating closely with the US, but this would last only as long as it seemed to serve his immediate purposes.

6. The Communists and Castroists. Although the Communist and Castroist groups are not very large, since the January riots they have strengthened their organizations and expanded their influence both in and out of government. Currently, they and their sympathizers are primarily supporting the candidates of the Socialist and Radical Action Parties. But if it came to a choice between Robles and Arnulfo, we believe that they would opt for Robles. They

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do not trust Arnulfo and probably feel that chances are better for them to maintain and to increase their influence under a regime similar to the present one.

III. PROSPECTS

7. Since only Robles has any chance of defeating Arnulfo Arias, many oligarchs, whose hatred of Arnulfo is surpassed only by their fear of him, can be expected to provide new financial and propaganda assistance to Robles. Nonetheless, unless the oligarchy dumps Galindo and unites behind Robles, Arnulfo would probably win an honest election handily. He would probably have a slight edge even against a united oligarchy.

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10. No matter what happens, if Arnulfo Arias is not declared president-elect, he will almost certainly cry fraud. He might call his large popular following into the streets to demand the recognition of his election. This election may be his last chance to gain the presidency -- he is 62. Moreover, conditions in Panama are ripe for a mass movement against the oligarchy. In the face of such a movement, it is not certain that the National Guard would remain united in the defense of oligarchic interests. Considerable violence might break out, a situation which the Castroists and Communists would be ready and eager to exploit.

FOR THE BOARD OF NATIONAL ESTIMATES:

ABBOT SMITH
Acting Chairman

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ANNEX

CONTENDERS IN THE 10 MAY PRESIDENTIAL ELECTIONS

Candidates are being run by the groups whose names are underlined. Principal parties are identified by an asterisk (*).

GOVERNING COALITION

National Liberal Party*
Republican Party*
National Liberation Movement*
Progressive Party
Labor-Agrarian Party
Nationalist Party
Democratic Action

CANDIDATE
Marco Robles

OPPOSITION ALLIANCE

National Patriotic Coalition*
Liberal Civil Resistance Party*
Third National Party*
DIPAL
Renovation Party
Isthmian Revolutionary Party

Juan de Arco Galindo

Panamenista Party*
National Reformist Party

Radical Action Party
Christian Democratic Party
Socialist Party
National Civic Party

Arnulfo Arias
Jose de la Rosa Castillo
(chosen after Miguel
Moreno withdrew)
Norberto Navarro
Jose Antonio Molino
Florencio Harris

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